



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

SECNAVINST 11101.73C
ASN(EI&E)
23 May 2019

SECNAV INSTRUCTION 11101.73C

From: Secretary of the Navy

Subj: GENERAL AND FLAG OFFICERS' QUARTERS

Ref: See enclosure (1)

Encl: (1) References
(2) Definitions
(3) General and Flag Officers Quarters Policy

1. Purpose. To reissue guidance concerning policies and approval authorities for operation, maintenance, repair, and improvement of public quarters assigned to general and flag officers. This instruction has been substantially revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 11101.73B.

3. Definitions. See enclosure (2).

4. Discussion. Public quarters assigned to general and flag officers are historically the highest cost family housing units in the DON inventory. They are also the most highly scrutinized at all levels of review. It is essential that all concerned levels of the chain of command exercise due care in the operation, repair, maintenance, and fiscal oversight of GFOQ. Expenditures incurred in the upkeep of these units must be valid and represent the most cost effective approach for repair and maintenance. To this end, a thorough and critical review and validation of all GFOQ budgets must be performed at all levels. Per enclosure (2), paragraph 9, the PPV Managing Members are responsible for operation, repair, improvements, maintenance, budgeting, and fiscal oversight of Executive Homes (privatized GFOQs).

5. Applicability. This instruction applies to the Offices of the Secretary of the Navy (SECNAV), the Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), and all U.S. Navy, U.S. Marine Corps installations, commands, activities, field offices, and all other organizational entities within the DON}

6. Policy. See enclosure 3.

7. Guidelines. The Navy and Marine Corps shall develop a six year maintenance, repair, and improvement plan for each GFOQ. Each plan will include the identification and documentation of maintenance, repair, and improvement requirements with associated costs; a phased plan for completion of required work for planning, programming, and budgeting purposes; and, for those quarters with more than \$50,000 in deficiencies, an economic analysis comparing continued retention of the quarters with replacement. These plans will form the basis for Navy and Marine Corps programs and budgets for such quarters. A copy of the plan shall, at a minimum, be maintained at the installation. The plans shall be reviewed annually and updated, as necessary.

8. Responsibilities. CNO for Navy installations and CMC for Marine Corps installations shall execute the responsibilities required by this instruction. Approval authority in this instruction may be further delegated as appropriate

a. In no case will an individual hold approval authority for quarters either assigned to that individual or assigned to an individual of a more senior rank. All such requests for exceptions to policy initiated by an equal or more senior rank to CNIC or MCICOM, whether from occupants of Executive Homes or GFOQs, will be sent to CNO or CMC, as appropriate, or to ASN (EI&E) for adjudication.

b. This delegation authority does not apply to actions that will result in a requirement to notify Congress.

9. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page:

<https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx>

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.

10. Reports. The reporting requirement contained in enclosure (3) paragraph 1j is exempt from information control, per reference (i), Part IV, paragraph 7p and 7q.



TODD C. MELLON
Assistant Secretary of the Navy
(Energy, Installations &
Environment)
Acting

Distribution:

Electronic only, via Department of the Navy Issuances Web site
<https://www.secnav.navy.mil/doni/>

SECNAVINST 11101.73C
23 May 2019

REFERENCES

- (a) DoD Instruction 1338.21 of 19 Jul 2016
- (b) DoD 7000.14-R, Volume 2B, Chapter 6, Department of Defense Financial Management Regulation of June 2013
- (c) 10 U.S.C. §2831
- (d) SECNAVINST 4001.2K
- (e) DoDM 4165.63, DoD Housing Management of 20 November 2010
- (f) 10 U.S.C. §2871 et. seq
- (g) 10 U.S.C. §2884
- (h) Office of the Under Secretary of Defense Memorandum, Use of Appropriated Funds on Privatized Housing of 7 April 2014
- (i) SECNAV M-5214.1

Enclosure (1)

DEFINITIONS

1. Construction. The erection or assembly of a facility. This includes new construction as well as replacement of an existing facility. Construction projects include the demolition of facilities to be replaced, supporting utilities, equipment installed in and made a part of such facilities, related site preparation, excavation, filling and landscaping, or other land improvements incident to the project.
2. Change of Occupancy. The period of time that a unit is vacant between occupant departure and new occupant arrival.
3. Executive Home. General and Flag Officers' Quarters (GFOQ) that have been privatized and are owned, managed and operated by a Public-Private Venture (PPV) Limited Liability Company (LLC).
4. Furnishings. Furniture, household equipment, carpet (when not installed as part of the unit), draperies, and miscellaneous items procured under special authority. Includes special allowance household goods authorized for designated special command positions such as china, glassware, silver, table linen, cutlery, and kitchen utensils. In foreign areas, includes equipment or appliances normally provided as part of the housing unit in the United States, such as moveable kitchen cabinets, wardrobes, or light fixtures.
5. GFOQ. Family housing units, owned or leased by the Department of the Navy (DON), that are designated for occupancy by general or flag officers (paygrades O-7 and above) or civilian equivalents. For purposes of this instruction, the term "General and Flag Officers' Quarters" also includes all grounds, walks, driveways, other paved areas, and structures on the grounds intended for the primary or exclusive use of the occupant.
6. Improvements. Alterations, additions, expansions, and extensions of family housing, other real property, and supporting facilities. Improvements include maintenance and repair work, other than normal day-to-day maintenance or repair, to be accomplished concurrently with improvements.

7. Maintenance. The periodic or scheduled work required to preserve real property facilities in such condition that they may be effectively used for their designated purpose.
8. Out-of-Cycle Submission. The submission of GFOQ budgets to Congress at any time other than as a part of the annual budget justification material. This also includes the re-notification of Congress, as required, of increases in cost of Congressionally approved budgets.
9. PPV LLC. PPV housing projects are owned by the business entity. The business entity is a private company operating in a commercial manner. It consists of both a private company as the PPV Managing Member and the DON Member. With the exception of a few specific circumstances that require the DON's consent, the PPV Managing Member performs sole and exclusive management and control of the company.
10. Repair. The restoration of a real property facility, system, or component to such a condition that it may be effectively used for its designated functional purpose. When repairing a facility, the components of a facility may be repaired by replacement, and the replacement shall be up to current standards or codes.
11. Senior Officer Quarters (SOQ). Housing units owned by DON that are designated for use by Senior Officers (below the rank of General or Flag Officer).
12. Special Command Position. A position designated by the Office of the Secretary of Defense (OSD) in accordance with reference (a).

GENERAL AND FLAG OFFICERS QUARTERS POLICY

1. Policy

a. All costs associated with the construction, improvement, operation, maintenance, or repair of GFOQ, including associated family housing structures or assigned areas, units temporarily diverted to other uses, security and antiterrorism measures, and contract administration charges associated with work performed exclusively on GFOQ, shall be funded solely from the family housing appropriation. This limitation on funding source shall not apply to:

(1) Communication equipment required by the occupant to perform his or her mission. This type of equipment is primarily for secure communications, but could include a computer, video teleconferencing capability, or other similar requirements. Any costs for infrastructure which is built-in and becomes part of the housing unit, such as wiring or fiber optics associated with the specialized communication equipment, will be charged to the family housing appropriation. Only the specialized communication equipment and its associated installation costs may be charged to another appropriation. Specialized communication equipment does not include normal telephone requirements.

(2) Navy/Marine Corps Intranet service (connectivity, hardware, and software) where such service is required in the performance of their duties independent of the place of residence.

b. Regardless of the use of any specific areas within the quarters, the entire facility will be considered family housing. GFOQ shall not be split for the purpose of funding part of the building with regular operation and maintenance funds provided in the annual Department of Defense Appropriations Act.

c. Per reference (b), annual budget submissions will include GFOQ where operations, maintenance and repair costs are anticipated to exceed \$35,000.

(1) For purposes of applying this limitation, operations costs shall include the prorated share of costs for management, services, and furnishings.

(2) Utilities, leases, and costs related to historic preservation shall not be included for purposes of applying this limitation. However, these costs are to be reflected in budgets and cost reports.

d. No more than \$35,000 may be spent annually for the maintenance and repair of any GFOQ without prior notification of the appropriate Congressional committees in accordance with notification requirements in the annual appropriations act. Annual budget submissions will include GFOQ where maintenance and repair costs are anticipated to exceed \$35,000.

(1) This limitation and associated reporting requirements apply to the residence, assigned grounds, and other real property (e.g., garages and sheds) which are intended for the primary or exclusive use of the residents of the assigned GFOQ.

(2) All funding and reporting requirements apply regardless of who is living in designated GFOQ and regardless of dependency status or rank. This includes designated GFOQs that are temporarily occupied by an unaccompanied general or flag officer. If a GFOQ is assigned to a Senior Officer, it is no longer considered to be a GFOQ and is not under the same reporting requirements. Conversely, if a General or Flag Officer is assigned to a Senior Officer Quarters (SOQ), it then becomes a GFOQ and is subject to reporting requirements and statutory limitations.

e. A maintenance and repair project for a family housing unit used, or intended for use, as a GFOQ shall not be carried out if the project will or may result in the total operations, maintenance, and repair costs for the unit for the fiscal year to exceed \$35,000 until the appropriate Congressional committees are notified in accordance with reference (c).

(1) For purposes of applying this limitation, the guidance contained in paragraph 5c above applies.

(2) The notification requirement does not apply to those GFOQs already identified in an annual budget submission provided there is no increase either to the total operations and maintenance costs or the specific maintenance and repair costs identified in the budget. A Congressional notification would only be triggered if the original budget was under \$35,000 in Operations and Maintenance (O&M) funds and now it would be over \$35,000 O&M. However, if the budget has already been reported, an increase to the Operations (OPS) cost(s) should not trigger a re-notification since OPS costs are not statutorily controlled. The only increase that should trigger a re-notification would be to the Maintenance and Repair cost should the increase take it over the \$35,000 statutory limit. Budgets, by definition, are "best estimates" as to actual execution. Most of them are either over or under-executed depending upon the requirements that come up.

(3) Proposed notifications of such maintenance and repair projects shall be provided to the Assistant Secretary of the Navy (Installations and Environment) (ASN(I&E)) for subsequent forwarding to the appropriate Congressional committees. Notifications shall be personally approved by the occupant where practicable, endorsed by the installation chain of command, and approved by the Chief of Naval Operations (CNO) or the Commandant of the Marine Corps (CMC), as appropriate. Proposed notifications shall include a full justification of the proposed work and an explanation why the requirements cannot be met through the normal budgeting process.

(4) Notwithstanding this limitation, a maintenance or repair project that will result in the total operations, maintenance, and repair expenditures exceeding \$35,000 for a GFOQ, may be commenced on a family housing unit used, or intended for use, as GFOQ if the project is a necessary environmental remediation project for the unit and the need for the project arose after submission of the most recent annual budget to Congress. In such cases, an "after the fact" notification may be provided to Congress. Proposed notifications shall be provided to the ASN (I&E) via the chain of command as expeditiously as possible after the commencement of such a project. No work may commence without explicit prior approval from Commander Navy Installations Command (CNIC) or the Marine Corps Installations Command (MCICOM), as appropriate.

f. Out-of-cycle notifications shall be limited to those instances involving emergency or safety-related requirements that will cause the total operations, maintenance, and repair costs to exceed \$35,000 or when maintenance and repair costs will exceed the amount previously identified to Congress.

(1) Proposed out-of-cycle notifications necessitated by emergency or safety-related requirements shall include full justification of the emergency or safety requirements and an explanation why the requirements cannot be met through the normal budgeting process.

(2) Improvement projects shall only be included in out-of-cycle requests to meet emergency or safety requirements.

g. Approval of GFOQ budgets or out-of-cycle notifications will constitute not only an approval of the identified costs but also an approval of the work specified in the justification materials.

(1) Changes to the approved scope of work that are needed for purposes of life/safety or preserving the structural integrity of the quarters do not require prior approval. Except as otherwise provided elsewhere in this instruction, this authority does not apply to scope changes which will result in a requirement to notify Congress.

(2) Any other changes in the scope of work for projects previously approved by Congress must be endorsed through the chain of command and will not be accomplished without the prior approval of the CNO or the CMC.

h. To ensure appropriate visibility of planned expenditures on GFOQ, the GFOQ exhibit in the annual budget submission will include those quarters for which an improvement project is planned, irrespective of the amount of planned maintenance and repairs for those units.

i. The acceptance and control of gifts in conjunction with GFOQ shall be in strict accordance with the requirements of reference (d).

j. The Navy and Marine Corps shall provide an annual report showing all expenditures (operation, maintenance, and

improvements) for each individual GFOQ for the prior fiscal year to the ASN (I&E). This report shall be provided by 31 December of each year. The ASN(I&E) will consolidate Navy and Marine Corps input for further submission as required by reference (b).

(1) To ensure continuous review of costs associated with GFOQ, installations shall submit quarterly cost reports for each GFOQ to the CNO and the CMC. Installations shall include, in their reports, a certification as to the report's accuracy. For Executive Homes, the PPV LLC will submit quarterly cost reports; these do not require installation certification.

(2) Annual cost reports shall include all gifts associated with each GFOQ. Where gifts are not monetary, the cost report shall include the estimated dollar value of such gifts. Cost reports will be annotated to separately identify the amount of gifts included in the cost categories.

k. The policy and criteria for approval of special command position designations is contained in reference (a). Requests for designation of Navy or Marine Corps billets as special command positions will be forwarded via the installation's chain of command to the ASN(I&E) for submission to the OSD. Incumbents of special command positions may be provided additional amenities commensurate with the required level of entertaining within the guidelines established by references (a) and (e).

l. General and flag officers are responsible for the care of assigned, DON owned or leased grounds, to include mowing, raking, pruning, and trash removal. The CNO and the CMC may approve exceptions to this policy when the grounds are assigned to the occupant of a special command position or when the GFOQ is prominently located and makes a unique contribution to the appearance of the installation. PPV Managing Members provide care of grounds for Executive Homes.

m. The provision of furnishings for GFOQ, in direct support of official representational or public entertainment responsibilities, is authorized. For Executive Homes, the PPV Property Manager supplies and manages the furnishings in accordance with DON policy.

(1) Such furnishings will be limited to outfitting of public entertainment areas, as defined in reference (e).

(2) In addition to furnishing of public entertainment areas, incumbents of special command positions may be provided additional amenities commensurate with the required level of official entertaining.

(a) Furnishings may be provided for entertainment areas and guest bedrooms if overnight accommodation of official visitors is required.

(b) The provision of special allowance items (e.g., table linen, china, glassware, silver, and kitchen utensils, etc.) is authorized only for special command positions.

(3) Tableware may be provided for principal military attaches assigned to U.S. embassies, consulates, or other diplomatic posts in foreign countries.

n. Each resident of a GFOQ will be provided with a copy of this instruction and copies of any Navy or Marine Corps implementing instructions. These residents shall be responsible for making themselves familiar with applicable policies, cost limitations, and approval authority levels. GFOQ residents will additionally receive a resident lease and resident handbook, unique to PPV, from the Property Manager.

o. The Chief of Naval Operations and the Commandant of the Marine Corps shall ensure that periodic evaluations of GFOQ management controls at the installation level are conducted in order to ensure compliance with applicable laws, regulations, and policies. Such evaluations shall be performed at a minimum of every 3 years. The first such evaluations shall be initiated upon the issuance of this instruction.

2. Executive Home Policy. By the authority of reference (f), the Services, including the DON, conveyed most of their United States family housing inventory to PPV LLCs. This included most of the GFOQs, referred to as Executive Homes. The PPV Managing Member is responsible for all decisions regarding repair, maintenance, and improvements to Executive Homes. Although Navy and Marine Corps are expressly prohibited from engaging in day-to-day operations and management activities of Executive Homes, certain oversight responsibilities remain:

a. Reference (g) directs that the Services provide Congress with a report of all Executive Homes whose total expenditures, including utilities, exceed \$50,000 within a fiscal year. To this end, quarterly cost reports are submitted by the PPV LLCs to the DON, who records and tracks expenses for inclusion in the President's Budget Submission.

b. All costs associated with the installation of secure communications in executive homes will be the responsibility of the command of the resident requesting this provision. This includes infrastructure changes, as well as the moveable equipment. In addition, all changes to Executive Homes require Secretariat approval and shall be submitted in accordance with reference (h). Neither PPV LLC funding nor the family housing appropriation will be used to install or support secure communications in an Executive Home.

c. Provisions in Policy Section 1.m. above also apply to flag and general officers who reside in Executive Homes owned by a PPV LLC.